

**STAFF REPORT CONCERNING
CPCFA’S PROCEDURES FOR
ALLOCATING TAX-EXEMPT CAP TO
EXEMPT FACILITY BOND PROJECTS**
February 27, 2008

STAFF SUMMARY – CPCFA

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ISSUE:

At the January 23, 2008 California Debt Limit Allocation Committee (CDLAC) meeting the Committee voted to authorize CPCFA to receive an award of Exempt Facility Allocation for the purpose of allocating portions of the award to Project Sponsors for purposes of issuing bonds. CDLAC staff has developed a “Process Plan” to detail how CPCFA will award the Exempt Facility Allocation and will be presenting this plan at the February 27, 2008 CDLAC meeting.

In anticipation of CDLAC approval of the proposed “Process Plan,” CPCFA staff used the CDLAC current allocation procedures as a guideline to develop instructions (please see Attachment A) detailing the allocation process that CPCFA will follow to award Exempt Facility allocation. The instructions will be posted on the CPCFA website.

Attachment A

CPCFA’s General Instructions for 2008 Allocation Application Forms

Application Forms

A private company may apply for a Qualified Private Activity Bond Allocation for a specific project or program. Applications should be filed using the Authority’s Application form for Exempt Facility Projects. The form is available on the [Authority’s web site](#) or by calling the Authority at (916) 654-5610.

Each Application form requests information concerning the proposed bond issue and the project. Each item on the form should be completed. Responses should be specific and clear. In many cases, the Application indicates that an “Attachment” is required. Such attachments must be clearly labeled as indicated in the Application. The Application form and the Performance Deposit Certification Form must bear an original signature of the Project Sponsor submitting the Application.

Complete Applications

The Authority will consider only complete Applications. Applicants are advised to read Sections 6, 16, and 21 of the [CDLAC Procedures](#) Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds for information concerning what constitutes a completed Application and the general principals that apply to all Applications.

Public Meeting Dates

The Authority has adopted the following schedule for accepting Applications and for approving Allocations of the 2008 State Ceiling. Applications must be received in the Authority’s office no later than **4:00 p.m.** on the date indicated. Interested persons should contact the Authority staff for confirmation of an Allocation meeting date. Staff anticipates allocation meetings will be held on the following [tentative dates](#): April 23; May 28; June 25; July 23; August 27; September 24; October 22; November 19; and December 17, 2008. The critical days applicable to each allocation meeting will be as follows:

<u>Date</u>	<u>Purpose</u>
Friday, February 29 at 4:00 pm	Applications Due
Thursday, March 20 at 10:00 am	TERFA* Hearing
Friday, March 28	Preliminary seores/rankings posted
Friday, April 4	Appeals to preliminary recommendations due
Friday, April 11	Final recommendations posted
Wednesday, April 16	Appeals to final recommendations due
Wednesday, April 23	Board & Allocation Meeting

Attachment A

<u>Date</u>	<u>Purpose</u>
Friday, March 28 at 4:00 pm	Applications Due
Thursday, April 24, at 10:00 am	TERFA* Hearing
Friday, May 2	Preliminary scores/rankings posted
Friday, May 9	Appeals to preliminary recommendations due
Friday, May 16	Final recommendations posted
Wednesday, May 21	Appeals to final recommendations due
Wednesday, May 28	Board & Allocation Meeting

<u>Date</u>	<u>Purpose</u>
Friday, April 25 at 4:00 pm	Applications Due
Thursday May 22 at 10:00 am	TERFA* Hearing
Friday, May 30	Preliminary scores/rankings posted
Friday, June 6	Appeals to preliminary recommendations due
Friday, June 13	Final recommendations posted
Wednesday, June 18	Appeals to final recommendations due
Wednesday, June 25	Board & Allocation Meeting

<u>Date</u>	<u>Purpose</u>
Friday, May 23 at 4:00 pm	Applications Due
Thursday, June 19 at 10:00 am	TERFA* Hearing
Friday, June 27	Preliminary scores/rankings posted
Friday, July 4	Appeals to preliminary recommendations due
Friday, July 11	Final recommendations posted
Wednesday, July 16	Appeals to final recommendations due
Wednesday, July 23	Board & Allocation Meeting

The following dates are Pending Available Allocation

<u>Date</u>	<u>Purpose</u>
Friday, June 27 at 4:00 pm	Applications Due
Thursday, July 24 at 10:00 am	TERFA* Hearing
Friday, August 1	Preliminary scores/rankings posted
Friday, August 8	Appeals to preliminary recommendations due
Friday, August 15	Final recommendations posted
Wednesday, August 20	Appeals to final recommendations due
Wednesday, August 27	Board & Allocation Meeting

<u>Date</u>	<u>Purpose</u>
Friday, July 25 at 4:00 pm	Applications Due
Thursday, August 21 at 10:00 am	TERFA* Hearing
Friday, August 29	Preliminary scores/rankings posted
Friday, September 5	Appeals to preliminary recommendations due
Friday, September 12	Final recommendations posted
Wednesday, September 17	Appeals to final recommendations due
Wednesday, September 24	Board & Allocation Meeting

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<u>Date</u>	<u>Purpose</u>
Friday, August 22 at 4:00 pm	Applications Due
Thursday, September 18 at 10:00 am	TERFA* Hearing
Friday, September 26	Preliminary scores/rankings posted
Friday, October 3	Appeals to preliminary recommendations due
Friday, October 10	Final recommendations posted
Wednesday, October 15	Appeals to final recommendations due
Wednesday, October 22	Board & Allocation Meeting

<u>Date</u>	<u>Purpose</u>
Friday, September 26 at 4:00 pm	Applications Due
Thursday, October 16 at 10:00 am	TERFA* Hearing
Friday, October 24	Preliminary scores/rankings posted
Friday, October 31	Appeals to preliminary recommendations due
Friday, November 7	Final recommendations posted
Wednesday, November 12	Appeals to final recommendations due
Wednesday, November 19	Board & Allocation Meeting

<u>Date</u>	<u>Purpose</u>
Friday, October 17 at 4:00 pm	Applications Due
Thursday, November 13 at 10:00 am	TERFA* Hearing
Friday, November 21	Preliminary scores/rankings posted
Friday, November 28	Appeals to preliminary recommendations due
Friday, December 5	Final recommendations posted
Wednesday, December 10	Appeals to final recommendations due
Wednesday, December 17	Board & Allocation Meeting

*TEFRA means Tax Equity & Fiscal Responsibility Act, IRS Code Section 147(f).

If a complete application is received approximately 60 days prior to an allocation meeting, Authority staff will strive to bring the application before the Authority for consideration within a two month period. Applications that are found to be incomplete may be delayed to a subsequent allocation meeting.

Staff will endeavor to move complete applications to allocation meetings as quickly as possible. Project Sponsors are strongly encouraged to submit applications when projects are ready.

The specific timing associated with the open allocation process will be better understood as we gain experience with this new system. Should adjustments to the system be necessary, staff will announce changes in advance of their implementation. We look forward to working with you in 2008.

CPCFA staff will not extend the above Application and ~~Proof of~~ TEFRA hearing deadlines.

Attachment A

Use of Allocation

Applicants receiving Allocation must be prepared to use that Allocation to issue bonds within 90 days. Failure to fully use any Allocation granted by the Authority, as specified, results in the forfeiture of all or part of the performance deposit. Applicants are advised to read Section 7 of the [CDLAC Procedures](#).

Fee Payable Upon Use of Allocation

Upon use of an Allocation to issue bonds, a fee equal to 0.00035 multiplied by the amount of Allocation actually used is due to the California Debt Limit Allocation Committee. [Example: For a \$5,000,000 Qualified Private Activity Bond issue, the fee due would be \$1,450 ($\$5,000,000 \times 0.00035$).] Applicants are advised to read Sections 7 and 8 of the [CDLAC Procedures](#).

Further Information

Additional information may be obtained by accessing the [Authority's web site](#) or by calling the Authority at (916) 654-5610.